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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 03 ZAGREB 000026

SIPDIS

DEPARTMENT FOR EUR/SCE

E.O. 12958: DECL: 01/12/2020

TAGS: [PREL](#) [PGOV](#) [HR](#)

SUBJECT: AMBASSADOR'S MEETING WITH PRIME MINISTER KOSOR

REF: A. ZAGREB 006

[1](#)B. ZAGREB 009

Classified By: James B. Foley, Ambassador, for reasons 1.4 (b) and (d).

[1](#)1. SUMMARY: I saw Prime Minister Kosor for 75 minutes January 11 to discuss the fallout from the Sanader "political coup" attempt (reftels) and a range of issues, including Croatia's EU accession negotiations, ICTY cooperation, energy relationship with Russia and prospects for improving ties with Serbia. Kosor felt she had emerged stronger from the crisis but was by no means out of the woods. She thought Sanader would likely try again to destabilize the government or at least to leverage policy concessions, presumably meaning limitations on Kosor's anti-corruption drive. Kosor implied she was negotiating with other political parties to forestall such a scenario, but described her ultimate strength as a willingness to go to elections rather than compromise on principle or her policy priorities. She expressed optimism that invigorated GOC efforts to cooperate with the ICTY would be recognized and lead to unblocking of the final key chapters in Croatia's EU accession process, but I countered this and suggested that she and President-elect Josipovic would have to make the case directly with key EU counterparts. Kosor pledged a renewed effort to improve ties with Serbia and acknowledged my warning, in anticipation of her upcoming visit to Moscow, to avoid overdependence on Russian energy supplies, but without engaging on the specific points I raised. Overall I was impressed with Kosor's determination to achieve her reform agenda, but it is clear that 2010 will be a year of vulnerability as well as opportunity for her and for Croatia. A successful visit to Washington, which Kosor is pushing for, would provide marginal help in this regard, but what she needs above all is the rapid opening of blocked EU accession chapters and successful conclusion of accession negotiations by the end of [1](#)2010. END SUMMARY

[1](#)2. The Prime Minister began the meeting by expressing her personal gratitude to Secretary Clinton for her warm reception of Foreign Minister Jandrokovic in December and for the Secretary's public words of support for Kosor's anti-corruption efforts. She ticked off her top goals for 2010 -- improving the economy, completing EU negotiations, burnishing Croatia's credentials as a "model" NATO member, and strengthening the fight against corruption.

[1](#)3. Kosor volunteered that she had emerged strengthened in the wake of former Prime Minister Sanader's failed attempt to reassert control over the HDZ-led government and said she now enjoyed a "very stable" position within the party and government. She described Sanader's maneuver as "especially dangerous" because he had jeopardized Croatia's EU path by criticizing the Arbitration Agreement with Slovenia and implicitly accusing her of treason. She intended to forge productive relations with new President Josipovic, and looked forward to the upcoming visit of Slovenian Prime Minister Pahor and the unblocking of the remaining chapters in the EU accession process. Finally, she expressed confidence that

the work of the Task Force investigating the 1995 artillery logs sought by the ICTY prosecutor would result in recognition by the Hague Trial Chamber of Croatia's full cooperation with the ICTY.

14. Kosor gave a more nuanced perspective when I asked about the prospects for her maintaining a majority within the Sabor. She repeated that the situation appeared stable "right now" but noted that Sanader could choose to reactivate his parliamentary mandate anytime going forward. The danger was that he might threaten to do so in order to extort policy concessions. In such a scenario, Kosor estimated Sanader could garner the support of two to four members of parliament, thereby provoking a crisis. She said the government was in discussion "with others" to preempt this, noting that Sanader's actions last week had been condemned by all political parties.

15. Continuing, Kosor noted that while stability of the government could be maintained, she was not willing to pay any price to achieve it and stated that she placed Croatia's interests above party interests. She declared she would opt for early elections rather than go along with a "rotten compromise" for the sake of clinging to power: "I think he (Sanader) and others know this, so the key is in my hands." That said, she would do her utmost to avoid early elections, which she said would reduce the government to caretaker status for six months and paralyze all that she was trying to achieve in terms of EU negotiations and the fight against corruption. This, she said, would be a "catastrophe."

16. We discussed at some length a potential visit by her to

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Washington (details to be reported separately). Kosor noted that she wanted to ensure that any visit not be subject to the interpretation that she was viewed as less important than Sanader had been. But she highly appreciated Washington's consideration of a visit and understood the importance of acknowledging what the U.S. was doing on behalf of Croatia and the region.

17. On the election of the opposition SDP's Ivo Josipovic as President, Kosor expressed confidence that any problems between them would be quickly overcome. She believed his vote in the Sabor against the Arbitration Agreement with Slovenia was merely a tactical political maneuver, noting that he was after all "a pro-European lawyer." She looked forward to an early opportunity to clarify in person with Josipovic any doubts he might still harbor about the agreement. She felt similarly about his previous criticisms of the GOC's cooperation with the ICTY, which she also saw as politically motivated. Her plan was to have Justice Minister Simonovic, a close personal friend of Josipovic, brief him on the work of the Task Force and convince him that the government had the political will to cooperate fully with the ICTY: "he will understand that there is nothing that cannot be subject to investigation by the Task Force."

18. I took the opportunity to underscore the importance of continuing the Task Force investigation and engaging diplomatically with the EU countries who were blocking the opening of Chapter 23 over the ICTY issue. Kosor referred to her upcoming luncheon on January 14 with EU and NATO Ambassadors, which would also be attended by the Task Force leaders and would enable EU member states to better understand the full extent of Croatia's cooperation with the ICTY. I welcomed this step but stressed it would still likely be necessary for the GOC, including Kosor herself, to engage in EU capitals, notably London and The Hague. I noted USG advocacy in this regard, including S/WCI Ambassador Rapp's planned meetings with HMG officials in London January 18, but repeated that GOC diplomatic efforts would be essential as well. I suggested she seek assistance from Chancellor Merkel during her February 3 visit to Berlin and also suggested that incoming President Josipovic be enlisted

to engage with key EU counterparts.

¶9. Turning to the energy question, I referenced Kosor's anticipated trip to Moscow and our understanding that Croatia was seeking arrangements for increased supply of Russian gas for the coming years. While the U.S. had no objection to this in principle, I said that a key pillar of our overall policy in Europe was to promote diversification of energy supplies, and avoidance of overdependence on Russia, which carried obvious political risks. I also noted concerns in the region that Croatia not reach understandings with Moscow that came at the expense of their own interests, and specifically urged that the project to build an LNG terminal be rapidly approved. Kosor responded emphatically, but only in general terms. She stressed repeatedly that she would be guided by her sense of Croatia's duty as a NATO member. She described herself as an "extremely responsible person" and that she regarded Croatia's NATO membership as a "great honor" and would act accordingly. She said she knew the U.S. understood the importance of energy "independence and security" for Croatia's economy, repeated her pledges of fealty to NATO, but otherwise would not be drawn into specifics on this issue. She noted that the itinerary and details of her visit to Russia were still being worked out. Kosor welcomed the information that Ambassador Morningstar would be visiting in late February and looked forward to discussing these issues with him.

¶10. Finally, I noted that in 2010 we hoped that meaningful progress could be achieved in establishing positive relations between Croatia and Serbia. Kosor replied that it had been her policy since becoming Prime Minister to strengthen "our neighbor's" path to the EU. She complained that the GOC had received "no credit whatsoever" for its recent decision to share translation of the EU *acquis communautaire* documents with interested neighbors. She pledged to seek a new beginning with Serbia using her newly established channel to Tadic, State Secretary Bozinovic, but emphasized that both sides needed to be committed to the endeavor and underscored the importance of avoiding inflammatory public statements. (Note: Kosor's advisor Davor Stier told me after the meeting that Tadic's foreign policy advisor, Jovan Ratkovic, would be making an unpublicized visit to Zagreb January 18. Stier requested that we keep this information quiet.)

¶11. COMMENT: I was struck by Kosor's reference to herself as "extremely responsible" and her vow not to sacrifice national interests for the sake of political survival. This apparent attachment to principle is the source of her current

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political strength both with the public and, consequently, within the governing coalition. Her tenure therefore represents a window of opportunity for Croatia to achieve necessary, but politically difficult progress in the rule of law and other areas connected to EU accession. Indeed the other striking impression Kosor gives is of someone who is singularly focused on accomplishing in a compressed time period a relatively small number of specific objectives. She seems to be methodically checking the box to do all that is necessary to secure Croatia's EU membership by the stated goal of 2012.

¶12. The road ahead in 2010, however, will not be easy. Kosor's popularity -- and political staying power -- will be tested by tough decisions she will undoubtedly have to make in the area of budget revisions and other economic measures and reforms, which could create new opportunities for mischief-making by Sanader and others. This underscores the stakes in achieving a rapid opening of the remaining chapters in Croatia's EU accession process -- notably Chapter 23 on judiciary and fundamental rights, currently blocked by the UK and Netherlands over the ICTY cooperation issue. Failure to open this and four other chapters early in 2010 will push Croatia's accession timeline beyond 2012 and prove damaging not only to Kosor but more importantly to stability in

Croatia and the region. END COMMENT.

FOLEY